

Message Text

CONFIDENTIAL

PAGE 01 DHAHRA 01284 292147Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 CCO-00 /026 W
-----007555 292151Z /70
O 292107Z OCT 77 ZFF-4 ZFG
FM AMCONSUL DHAHRAN
TO AMEMBASSY TEL AVIV IMMEDIATE
INFO SECSTATE WASHDC IMMEDIATE 5781
TREAS DEPT WASHDC IMMEDIATE

C O N F I D E N T I A L DHAHRAN 1284

EXDIS

BLUMTO 93

FOR AMBASSADOR LEWIS FROM SECRETARY BLUMENTHAL

E.O. 11652: XGDS-4
TAGS: ECON, EFIN, IS
SUBJECT: ISRAEL'S REMOVAL OF EXCHANGE CONTROLS

REF: TEL AVIV 84828

1. PLEASE PASS THE FOLLOWING MESSAGE FROM ME
TO THE PRIME MINISTER:

"I GREATLY APPRECIATE YOUR THOUGHTFULNESS IN
INFORMING ME OF YOUR GOVERNMENT'S DECISION TO
REMOVE EXCHANGE CONTROLS AND MAKE OTHER SIGNIFICANT POLICY
CHANGES. I WANT TO WISH YOU AND YOUR GOVERNMENT EVERY
SUCCESS IN YOUR EFFORTS TO REFORM ISRAEL'S ECONOMY. AFTER
THE REWARDING EXPERIENCE OF MY VISIT TO ISRAEL I WILL
TAKE A PARTICULAR, PERSONAL INTEREST IN FOLLOWING YOUR
PROGRESS".

2. PLEASE PASS COPY OF MESSAGE TO FOMANCE MINISTER
EHRILICH.

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3. I BELIEVE THAT THE EMBASSY SHOULD TAKE AN EARLY
OPPORTUNITY TO NOTE THAT GOI DECISION TO RELAX EXCHANGE
CONTROLS AND FLOAT THE POUND PROVIDES AN
EXCELLENT OPPORTUNITY TO ELIMINATE EXPORT SUBSIDY
PROGRAMS WHICH INEVITABLE LEAD TO INVESTIGATIONS UNDER
OUR COUNTERVAILING DUTY LAWS,AS DISCUSSED DURING
MY RECENT VISIT. ISRAEL HAS ENJOYED OUTSTANDING

SUCCESS IN EXPANDING EXPORTS WITH A THIRTY PERCENT
EXPORT PREMIUM AT THE OLD RATE OF EXCHANGE EVEN IF THE
PREMIUM WAS ELIMINATED. I BELIEVE YOU SHOULD URGE
THAT GOI CONSIDER THIS MATTER SERIOUSLY AS IT WOULD
GREATLY HELP AVOID POTENTIALLY SERIOUS IRRITANTS TO
OUR ECONOMIC RELATIONS IN THE FUTURE. BUSHNELL

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC NOTES, FOREIGN EXCHANGE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Oct-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DHAHRA01284
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X4
Errors: N/A
Expiration:
Film Number: D770399-0350
Format: TEL
From: DHAHRAN
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977108/aaaaafvx.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b84da933-c288-dd11-92da-001cc4696bcc
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Retention: 0
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SAS ID: 983652
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Subject: ISRAEL'S REMOVAL OF EXCHANGE CONTROLS
TAGS: ECON, EFIN, IS, US
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